



# HORSESHOE METALS

LIMITED

ACN 123 133 166

## **NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT PROXY FORM**

**Date of Meeting**

Thursday 26 May 2022

**Time of Meeting**

10:30AM (WST)

**Place of Meeting**

Level 1, 24 Mumford Place, Balcatta, WA 6021

**This is an important document that requires your immediate attention.**

You should read this document in its entirety before deciding whether or not to vote for or against any resolution at the Meeting. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

**HORSESHOE METALS LIMITED**  
ACN 123 133 166

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Horseshoe Metals Limited (**Company**) will be held at Level 1, 24 Mumford Place, Balcatta, WA 6021 on Thursday 26 May 2022 at 10:30AM WST (**Meeting**).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Proxy Form also forms part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary on pages 25 to 26.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5:00pm (WST) on Tuesday 24 May 2022.

Shareholders should read the Explanatory Statement before deciding how to vote.

***How to vote***

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

***Voting in person (or by attorney)***

To vote in person, attend the Meeting at the time, place and date set out above.

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

***Voting by corporate representative***

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Representatives are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their appointor's holding may be checked against the Company's share register and attendance recorded. The representative should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

***Voting by proxy***

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has the right to appoint a proxy;
- (b) the proxy need not be a Shareholder;
- (c) a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or the number of votes that each proxy is appointed to exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally

among the proxies in accordance with section 249X of the Corporations Act (i.e. where there are two proxies, each proxy may exercise half of the votes).

A proxy can be either an individual or a body corporate.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Further details on these legislative requirements are set out below.

*Proxy vote if appointment specifies way to vote*

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands but, if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on a poll but, if the proxy does so, the proxy must vote that way (i.e. as directed).

Should any resolution other than those specified in this Notice of Meeting be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

*Transfer of non-Chair proxy to Chair in certain circumstances*

If:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at the Meeting;
- (b) the appointed proxy is not the Chair;
- (c) at the Meeting, a poll is duly demanded on the resolution; and
- (d) either:
  - (i) the proxy is not recorded as attending the Meeting; or
  - (ii) the proxy does not vote on the resolution,

the Chair is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the Meeting.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chair as their proxy to vote on their behalf, who must vote the proxies as directed.

*Chair's intention in respect of undirected votes*

Where the Chair is appointed as proxy, the Chair intends, subject to the voting restrictions set out in the voting exclusion statements in respect of Resolutions 4 to 7, to vote undirected proxies on, and in favour of, Resolutions 4 to 7.

Where the Chair is appointed as proxy, the Chair can also vote undirected proxies on Resolutions 1, 1a, and 4 to 6 provided that the appointment of proxy expressly authorises the Chair to vote on those Resolutions even though they are connected with the remuneration of Key Management Personnel.

The Chair will not vote any undirected proxies in relation to Resolutions 1, 1a, and 4 to 6 unless the Shareholder expressly authorises the Chair to vote in accordance with the Chair's stated voting intentions in their proxy form. Subject to the voting restrictions set out in the voting exclusion statements and the voting prohibition statements in respect of Resolutions 1, 1a, and 4 to 6, the Chair intends to, and if so authorised by a Shareholder will vote undirected proxies in favour of, Resolutions 1, and 4 to 6, and will vote undirected proxies against Resolution 1a.

### *How to vote by proxy*

To be valid, proxies must be received by the Company's share registry, Advanced Share Registry, not less than 48 hours prior to commencement of the Meeting. Proxies lodged after this time will be invalid.

Proxies may be lodged using any of the following methods:

- (a) by returning a completed proxy form in person or by post to Advanced Share Registry Ltd, 110 Stirling Hwy, Nedlands WA 6009;
- (b) by returning a completed proxy form by email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au); or
- (c) by logging in to Advanced Share Registry's investor portal, accessible via [www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login), and following the instructions for online proxy appointment.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address or facsimile number, not less than 48 hours prior to commencement of the Meeting. If facsimile transmission is used, the power of attorney must be certified.

### **Enquiries**

Shareholders are invited to contact the Company Secretary, Kate Stoney, on 08 6241 1844 if they have any queries in respect of the matters set out in this document. Queries regarding the lodgement of proxy forms should be directed to Advanced Share Registry on 08 9389 8033.

## AGENDA

### **Financial Statements and Reports for the year ended 31 December 2021**

To receive and consider the annual financial report of the Company and the reports of the Directors and the auditor of the Company for the financial year ended 31 December 2021.

Note: There is no requirement for Shareholders to approve these reports. A copy of the Company's Annual Report is available at [www.horseshoemetals.com.au](http://www.horseshoemetals.com.au).

### **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report forming part of the Company’s Annual Report dealing with the remuneration of the Company’s Directors and senior executives be adopted.”*

**Voting Prohibition:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel (**KMP**), details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the KMP at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

**Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.**

### **Resolution 1a – Conditional Spill Resolution**

**Condition for Resolution 1a:** Resolution 1a will be considered at the Meeting subject to, and conditional on, at least 25% of the votes cast on Resolution 1 being cast against adoption of the Remuneration Report. The Explanatory Statement accompanying this Notice further explains the circumstances in which Resolution 1a will be put to the Meeting.

If the condition (described above) is satisfied, to consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, as required by the Corporations Act:*

- (a) *another meeting of the Shareholders be held within 90 days of the date of this Meeting (**Spill Meeting**);*
- (b) *all Vacating Directors cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated pursuant to (b) be put to vote at the Spill Meeting.”*

**Voting Prohibition:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1a:

- (a) by or on behalf of a member of the KMP, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or

- (b) by a person who is a member of the KMP at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on Resolution 1a:

- (c) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (d) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

### **Resolution 2 – Election of Ms Kate Stoney as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 3.3 of the Constitution, Listing Rule 14.4 and 14.5 and for all other purposes, Ms Kate Stoney, who was appointed a Director by the Board on 16 February 2021, retires, and being eligible, is elected as a Director.”*

### **Resolution 3 – Re-election of Mr Alan Still as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 3.6 of the Constitution, Listing Rule 14.4 and 14.5 and for all other purposes, Mr Alan Still retires, and being eligible, is re-elected as a Director.”*

### **Resolution 4 – Approval to issue Options to Mr Craig Hall**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 3,500,000 Options to Mr Craig Hall (or his nominee), a Director, under the Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan; or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (d) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to Resolution 4 as a proxy by a member of the KMP, or a Closely Related Party of such a member, unless the vote is cast as a proxy for a person who is entitled to vote on the Resolution:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

### **Resolution 5 – Approval to issue Options to Mr Alan Still**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 3,500,000 Options to Mr Alan Still (or his nominee), a Director, under the Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan; or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (d) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to Resolution 5 as a proxy by a member of the KMP, or a Closely Related Party of such a member, unless the vote is cast as a proxy for a person who is entitled to vote on the Resolution:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

### **Resolution 6 – Approval to issue Options to Ms Kate Stoney**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 3,500,000 Options to Ms Kate Stoney (or her nominee), a Director, under the Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Share Option Plan; or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (d) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to Resolution 6 as a proxy by a member of the KMP, or a Closely Related Party of such a member, unless the vote is cast as a proxy for a person who is entitled to vote on the Resolution:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

### **Resolution 7 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass the following resolution, as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, a proposed issue of Shares under the 10% Placement Facility (except a benefit solely in the capacity of a holder of Shares); and
- (b) any associates of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (c) a person as proxy or attorney for a person who entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



As at the date of dispatch of this Notice, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2. Consequently, no persons are excluded from voting under this Resolution.

**Dated:** 26 April 2022

**By order of the Board**

A handwritten signature in black ink, appearing to read 'Kate Stoney', with a long horizontal stroke extending to the right and a large loop at the end.

**Kate Stoney**  
**Non-Executive Director and Company Secretary**

# EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Meeting.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice of Meeting preceding this Explanatory Statement. Terms and abbreviations used in this Explanatory Statement are defined in the Glossary on pages 25 to 26.

## 1 Annual Financial Report

---

The Annual Report (including the financial statement, Directors' report and auditor's report for the financial year ended 31 December 2021) is available for review by members at <https://www.horseshoemetals.com.au/> and will be tabled at the Meeting. There is no formal resolution to accept the financial statements and reports, but provision will be made for members to question the Directors and the Company's auditor should they wish to do so.

## 2 Resolution 1 – Adoption of Remuneration Report

---

### 2.1 Background

The Board submits its Remuneration Report for the year ended 31 December 2021 to Shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report is included in the Annual Report. The Remuneration Report:

- (a) explains the Company's remuneration principles relating to the nature and amount of the remuneration of directors, senior managers and other group executives of the Company;
- (b) discusses the relationship between the remuneration principles and the Company's performance; and
- (c) sets out remuneration details for each Director and for each relevant executive of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

As required by section 250R(2) of the Corporations Act, a non-binding resolution to adopt the Remuneration Report is to be put to Shareholders at the Meeting. The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company. However, the Corporations Act provides that if Resolution 1 receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote. The Corporations Act provides for a 'two strikes rule' in relation to voting on the Remuneration Report. This rule applies if, at two consecutive annual general meetings, the resolution for the adoption of the Remuneration Report were to receive a 'no' vote of 25% or more of the votes cast on the resolution. In that case, a further resolution (**Spill Resolution**) is required to be put to Shareholders at the second of those annual general meetings. If passed, the Spill Resolution would require an extraordinary general meeting of the Company (**Spill Meeting**) to be held within 90 days of the second annual general meeting, for the purpose of considering the election of Directors. At the Spill Meeting, the directors (other than the managing director) who were in office at the date of approval by the Board of the most recent Directors' report would cease to hold office, unless re-elected at the meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it.

The Company received a first strike at its annual general meeting immediately preceding this Meeting. If a 'second strike' is received at this Meeting in relation to the adoption of the

Remuneration Report (that is, at least 25% of the votes cast on Resolution 1 are cast against adoption of the Remuneration Report), Resolution 1a (Conditional Spill Resolution) will be put to a vote in accordance with the Corporations Act. The operation and consequences of a Spill Resolution are set out in section 3 below.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

## **2.2 Response to the first strike**

As detailed in the Remuneration Report, the Directors consider the “first strike” received at its most recent annual general meeting on 26 June 2020 to have been largely a protest vote rather than a genuine objection to the Company’s remuneration policies, noting that: (a) the proportion of votes cast against the non-binding resolution for the adoption of the remuneration report was 26 percent, which is marginally above the threshold to trigger a first strike; (b) no specific feedback was received from shareholders voting against the resolution; (c) the most recent annual general meeting was held during a period of suspension from trading and a few months after an unsuccessful spill of the board under a section 249D notice; and (d) the remuneration paid to Key Management Personnel is comparable with that of similar companies.

## **2.3 Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 1. The Board acknowledges that the Directors have a personal interest in some aspects of the Remuneration Report. To the extent permitted by law, the Chair intends to vote all undirected proxies in favour of Resolution 1.

## **3 Resolution 1a – Conditional Spill Resolution**

---

**If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 1a.**

### **3.1 Background**

The Corporations Act requirements for this Resolution to be put to vote are set out in Section 2.1. This Resolution is required to be voted on if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report.

The effect of this Resolution being passed is the Company will be required to hold a Spill Meeting within 90 days of the date of this Meeting and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

The Vacating Directors will include Mr Alan Still, Mr Craig Hall and Ms Kate Stoney.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

### **3.2 Directors’ Recommendation**

The Board unanimously recommends that shareholders **VOTE AGAINST** this resolution if it is put to the Meeting. To the extent permitted by law, the Chair intends to vote all undirected proxies against Resolution 1a (if put to the Meeting).

## **4 Resolution 2 - Election of Ms Kate Stoney as a Director**

---

Clause 3.3 of the Constitution allows the Directors to appoint a person to be a Director. Any Director so appointed automatically retires at the next annual general meeting and is then eligible for election. Any such Director shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Kate Stoney was appointed as a Director on 16 February 2021 to fill a casual vacancy.

Ms Kate Stoney will retire at the Meeting in accordance with Listing Rule 14.4 and clause 3.3 of the Constitution and, being eligible, seeks to be elected pursuant to Resolution 2. Resolution 2 seeks approval for the election of Ms Kate Stoney to the Board of Directors.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

(a) Biographical Details:

Ms Stoney is a CPA qualified accountant who studied at Edith Cowan University holding a Bachelor of Business degree (Double Major in Accounting and Finance) and has over 15 years' experience working in accounting, administration and company secretarial positions in listed companies.

(b) Material Directorships & Appointments

Ms Stoney is currently a non-executive director and company secretary of Scorpion Minerals Limited (ASX: SCN).

(c) Term of Office

Ms Stoney was appointed a Director on 16 February 2021 and this her first time standing for election by Shareholders.

(d) Independence

The Board considers Ms Stoney to be an independent director.

(e) Background Checks

The Company has conducted appropriate background and other checks in respect of Ms Stoney's appointment, and such checks have not returned any information of concern.

(f) Directors' recommendation

The Board, with Ms Stoney abstaining with respect to Resolution 2, recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2. The Directors consider Ms Stoney's skills and experience, in particular her experience in accounting and finance are valuable to, and complement, the Board's existing skills and experience.

## **5 Re-election of Mr Alan Still as a Director**

---

Listing Rule 14.4 and clause 3.6 of the Constitution provide that a director of an entity (other than a Managing Director) must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 3.6 of the Constitution provides that at every annual general meeting of the Company one-third of the Directors (other than Directors seeking election under clause 3.3 of the Constitution, alternate Directors and the Managing Director), or, if their number is not a multiple of 3, then the whole number nearest to one third, shall retire from office.

Mr Alan Still was last appointed a Director at the Company's 2019 annual general meeting and accordingly retires by rotation and seeks re-election from Shareholders pursuant to Resolution 3.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

(a) Biographical Details:

Mr Still is an experienced metallurgist with over 40 years of experience in a variety of commodities. He is a Member of the Institute of Materials, Minerals and Mining (MIM).

(b) Material Directorships & Appointments

Mr Still does not currently serve on any other publicly listed companies.

Mr Still has previously served as a non-executive director of ASX-listed companies Eastern Goldfields Limited, General Mining Corporation Limited, and Pegasus Metals Limited.

(c) Term of Office

Mr Still was first appointed as a Director on 23 June 2014 and was last re-elected by Shareholders on 22 May 2019.

(d) Independence

The Board considers Mr Alan Still to be an independent director.

(e) Directors' recommendation

The Board, with Mr Still abstaining with respect to Resolution 3, recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3. The Directors consider Mr Still's skills and experience in metallurgy are valuable to, and complement, the Board's existing skills and experience.

## 6 Resolution 4 to 6 – Approval to issue Options to Craig Hall, Alan Still and Kate Stoney

---

### 6.1 General

The Company is seeking approval under Listing Rule 10.14 to issue a total of 10,500,000 Options (on the terms and conditions set out in Schedule 1) to Mr Craig Hall, Mr Alan Still and Ms Kate Stoney (or their nominees) (**Recipients**) comprising:

- (a) 3,500,000 Options to Mr Craig Hall (or his nominee) under Resolution 4;
- (b) 3,500,000 Options to Mr Alan Still (or his nominee) under Resolution 5; and
- (c) 3,500,000 Options to Ms Kate Stoney (or her nominee) under Resolution 6.

The Options are to be issued to each Recipient under the Employee Share Option Plan. In respect of the 3,500,000 Options to be issued to each Recipient:

- (a) 500,000 Options will be exercisable at a nil exercise price on or before the date that is 2 years after issue, with no vesting conditions (**Tranche 1 Options**);
- (b) 1,500,000 Options will be exercisable at a nil exercise price on or before the date that is 3 years after issue, subject to the vesting condition that the Recipient remain in office as a Director of the Company until the date that is 1 year after issue (**Tranche 2 Options**); and
- (c) 1,500,000 Options will be exercisable at a nil exercise price on or before the date that is 4 years after issue, subject to the vesting condition that the Recipient remain in office as a Director of the Company until the date that is 2 year after issue (**Tranche 3 Options**).

The Options are being issued to the Recipients as part of their remuneration package as a Director and to incentivise and retain them in a manner which promotes alignment of their interests with the interests of Shareholders.

### 6.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme unless it obtains the approval of its shareholders:

- (a) Listing Rule 10.14.1: a director of the company;
- (b) Listing Rule 10.14.2: an Associate of a director of the company; or
- (c) Listing Rule 10.14.3: a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by shareholders.

Resolutions 4, 5 and 6 seek the required Shareholder approval for the issue of the Options to the Recipients for the purposes of Listing Rule 10.14.

If Resolutions 4, 5 and 6 are passed, the Company will be able to issue the Options under the Employee Share Option Plan to Mr Craig Hall, Mr Alan Still and Ms Kate Stoney (or their nominees), respectively.

If Resolutions 4, 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Options under the Employee Share Option Plan to Mr Craig Hall, Mr Alan Still and Ms Kate Stoney (or their nominees), respectively and the Company will need to investigate other reward, incentivisation and retention strategies in respect of their ongoing role as a Director.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Recipients as approval is being obtained under Listing Rule 10.14, and the issue of the equity securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

### **6.3 Chapter 2E of the Corporations Act**

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a Director or an entity controlled by a Director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions in sections 210 to 216 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to giving the benefit.

Each of the Recipients is a related party of the Company by virtue of being a Director, and the issue of the Options constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

The Directors (other than in respect of their own Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolutions 4, 5 and 6 as the issue of Options under those Resolutions constitutes reasonable remuneration. The Options are being issued to the Recipients as part of their remuneration package in their role as Directors.

### **6.4 Technical information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolutions 4, 5 and 6:

- (a) The Options under Resolutions 4, 5 and 6 will be issued to Mr Craig Hall, Mr Alan Still and Ms Kate Stoney (or their nominees) respectively.
- (b) Mr Craig Hall, Mr Alan Still and Ms Kate Stoney are Directors of the Company and therefore fall under ASX Listing Rule 10.14.1.
- (c) Each Recipient will receive 500,000 Tranche 1 Options, 1,500,000 Tranche 2 Options, and 1,500,000 Tranche 3 Options.
- (d) The issue of Options is intended to remunerate and incentivise the Recipients and the details of each Recipient's current total remuneration package are set out below:
  - (i) As at the date of this Notice, Mr Craig Hall has a total remuneration package of \$36,000 which comprises \$36,000 in director fees (plus any statutory superannuation). If the Options are issued under Resolution 4 then his total remuneration package will increase to \$58,000 in the year the Tranche 1 Options are issued (based on the current Share price and the Black Scholes valuation methodology of the Options) and to \$102,000 in the years the Tranche 2 and Tranche 3 Options become exercisable, subject to the vesting conditions being met.
  - (ii) As at the date of this Notice, Mr Alan Still has a total remuneration package of \$36,000 which comprises \$36,000 in director fees (plus any statutory superannuation). If the Options are issued under Resolution 5 then his total remuneration package will increase to \$58,000 in the year the

Tranche 1 Options are issued (based on the current Share price and the Black Scholes valuation methodology of the Options) and to \$102,000 in the years the Tranche 2 and Tranche 3 Options become exercisable, subject to the vesting conditions being met.

- (iii) As at the date of this Notice, Ms Kate Stoney has a total remuneration package of \$54,000 which comprises \$36,000 in director fees and \$18,000 in company secretarial fees (plus any statutory superannuation). If the Options are issued under Resolution 6 then her total remuneration package will increase to \$76,000 in the year the Tranche 1 Options are issued (based on the current Share price and the Black Scholes valuation methodology of the Options) and to \$120,000 in the years the Tranche 2 and Tranche 3 Options become exercisable, subject to the vesting conditions being met.
- (e) No Options or other securities have previously been issued to the Recipients under the Employee Share Option Plan.
- (f) The Options are being issued under the terms of the Employee Share Option Plan (which is summarised in Schedule 2) and are otherwise issued subject to the following terms and conditions:
  - (i) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
  - (ii) The Options will vest and become exercisable in the below circumstances (**Vesting Conditions**):
    - (A) The Tranche 1 Options are exercisable immediately upon issue;
    - (B) The Tranche 2 Options will vest and become exercisable upon the Recipient remaining in office as a Director of the Company on the date that is 1 year from the date of issue; and
    - (C) The Tranche 3 Options will vest and become exercisable upon the Recipient remaining in office as a Director of the Company on the date that is 2 years from the date of issue.
  - (iii) The expiry dates of the Options will be the dates listed below (**Expiry Dates**), and Options not exercised before the Expiry Dates will automatically lapse on the Expiry Dates:
    - (A) The Tranche 1 Options expire on the date that is 2 years from the date of issue;
    - (B) The Tranche 2 Options expire on the date that is 3 years from the date of issue; and
    - (C) The Tranche 3 Options expire on the date that is 4 years from the date of issue.
  - (iv) The Options have an exercise price of \$0.00 per Option.
  - (v) The Options are unlisted, non-transferable and do not carry any voting or dividend rights until converted into Shares. The Options do not entitle the holder to receive notice of, or to vote or attend at, a meeting of the Shareholders.
- (g) The Board has chosen to issue the Options (as opposed to another type of security) to the Recipients for the following reasons:
  - (i) the Options are unlisted and therefore the grant of the Options has no immediate dilutionary impact on Shareholders;
  - (ii) the Options (other than the Tranche 1 Options) are subject to the Vesting Conditions which will align the interests of the Recipients with the Shareholders, and the Vesting Conditions ensures that the Recipients will

- only be able to exercise the Options (other than the Tranche 1 Options) upon remaining in office as a Director of the Company;
- (iii) the issue of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were provided; and
  - (iv) certain tax implications were considered in relation to the issue, vesting and exercise of the Options by the Recipients.
- (h) The Company values the 10,500,000 Options at a total of \$462,000 (being \$154,000 per Recipient) using a Black Scholes valuation methodology (being the maximum value assuming the Vesting Condition will be achieved by the expiry date), utilising the following assumptions:
- (i) Valuation date: 21 April 2022;
  - (ii) Market price of Shares: \$0.044;
  - (iii) Exercise price: \$0.00;
  - (iv) Term: 2 years (Tranche 1 Options), 3 years (Tranche 2 Options), 4 years (Tranche 3 Options); and
  - (v) Risk free interest rate: 2.18%.
- (i) The Options will be issued within 3 years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
  - (j) The Options will be issued for nil cash consideration but rather as an equity-based component of each Recipient's remuneration package. Accordingly, no funds will be raised by the Company as a result of the issue of the Options. As the Options have a nil exercise price, no funds will be raised upon exercise of the Options.
  - (k) The key terms of the Employee Share Option Plan are set out in Schedule 2.
  - (l) No loans are being provided in connection with the issue or conversion of the Options.
  - (m) Details of any securities issued under the Employee Share Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
  - (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Share Option Plan after this Resolution (assuming it is approved) and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.
  - (o) A voting exclusion statement is included in the Notice of Meeting preceding this Explanatory Statement.

## **6.5 Board Recommendation**

- (a) The Directors (other than Mr Craig Hall) recommend Shareholders vote in favour of Resolution 4.
- (b) The Directors (other than Mr Alan Still) recommend Shareholders vote in favour of Resolution 5.
- (c) The Directors (other than Ms Kate Stoney) recommend Shareholders vote in favour of Resolution 6.

As set out under the heading 'Chair's intention in respect of undirected votes' in this Notice of Meeting, the Chairperson intends to vote undirected proxies in favour of Resolutions 4, 5 and 6.



## **7 Resolution 7 – Approval of 10% Placement Facility**

---

### **7.1 General**

Listing Rule 7.1 provides, broadly, that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.1A enables an eligible entity to seek shareholder approval at its annual general meeting to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the entity's 15% placement capacity under Listing Rule 7.1 and thereby effectively increases the 15% limit by an extra 10%, to 25%.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity is not included in the S&P/ASX 300 Index, as at the time of the Annual General Meeting. The Company is an eligible entity for the purposes of Listing Rule 7.1A as at the date of this Notice and is expected to be an eligible entity as at the time of the Annual General Meeting.

The Company is putting Resolution 7 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

The effect of Resolution 7 will be to permit the Company to issue Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1. That is, if Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the Additional 10% Placement Capacity and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice, the Company has 545,492,881 Shares on issue. Accordingly, if Shareholders approve Resolution 7 the Company will have the capacity to issue approximately 54,549,288 Equity Securities under the Additional 10% Placement Capacity. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Resolution 7 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

### **7.2 Specific information required by Listing Rule 7.3A**

For the purposes of Listing Rule 7.3A, the following information is provided:

(a) Issue Period

Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and

- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(Additional Placement Period).**

The Company will only issue Equity Securities under the Additional 10% Placement Capacity during the Additional Placement Period.

(b) Minimum issue price

Equity Securities issued under the Additional 10% Placement Capacity will be issued for cash consideration at an issue price of not less than 75% of the volume weighted average market price (as defined in the Listing Rules) for securities in the same class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(c) Purpose of Issues

Funds raised by an issue of Equity Securities under the Additional 10% Placement Capacity may be used for further exploration of the Company's current assets, potential acquisition of new assets or investments (including the expenses associated with such acquisition), exploration expenditure on new assets or investments and/or general working capital purposes. The Company will not issue Equity Securities under the Additional 10% Placement Capacity for non-cash consideration.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 in relation to the issue of any Equity Securities under the Additional 10% Placement Capacity.

(d) Risk of economic and voting dilution

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

**(A x D) – E**

**A** is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- i. plus the number of fully paid shares issued in the previous 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- ii. plus the number of fully paid shares issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued or agreed to be issued before the commencement of the 12 month period, or the issue or agreement to issue the convertible securities was approved or taken by the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- iii. plus the number of fully paid ordinary shares issued in the previous 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where the agreement was entered into before the commencement of the 12 month period or the agreement or issue was approved or taken by the Listing Rules to have been approved under Listing Rule 7.1 or 7.4
- iv. plus the number of fully paid shares issued in the previous 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4;

- v. plus the number of partly paid shares that became fully paid in the previous 12 months;
- vi. less the number of fully paid shares cancelled in the previous 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, existing Shareholders' economic and voting interests in the Company will be diluted as shown in the table below. There is also a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date of the Equity Securities,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

The table also shows:

- (i) examples of where variable "A" is calculated as at the date of this Notice, and where variable "A" has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 21 April 2022 (**market price**), where the issue price is halved, and where it is doubled; and

the dilutionary effect if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.022 50% decrease in Issue Price	\$0.044 Issue Price at market price	\$0.088 100% increase in Issue Price
Current Variable A 545,492,881 Shares	Shares issued (10% voting dilution)	54,549,288 Shares	54,549,288 Shares	54,549,288 Shares
	Funds raised	\$1,200,084.34	\$2,400,168.67	\$4,800,337.34

<b>50% increase in current Variable A</b> 818,239,321 Shares	Shares issued (10% voting dilution)	81,823,932 Shares	81,823,932 Shares	81,823,932 Shares
	Funds raised	\$1,800,126.50	\$3,600,253.01	\$7,200,506.02
<b>100% increase in current Variable A</b> 1,090,985,762 Shares	Shares issued (10% voting dilution)	109,098,576 Shares	109,098,576 Shares	109,098,576 Shares
	Funds raised	\$2,400,168.67	\$4,800,337.34	\$9,600,674.69

The above table has been prepared on the following assumptions:

- (i) Variable A is 545,492,881, being the number of Shares on issue at the date of this Notice.
  - (ii) The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity.
  - (iii) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
  - (v) The table shows only the dilutive effect of the issuance of Equity Securities under Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.
- (e) Allocation Policy

The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be determined having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of the following matters:

- (i) the purpose of the issue;
- (ii) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer or other offer where existing Shareholders may participate;
- (iii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of the proposed issue of Equity Securities;
- (iv) the effect of the issue of the Equity Securities on the control of the Company;
- (v) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
- (vi) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The recipients in any offer which may be made under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include Related Parties (or their associates) of the Company. The recipients of Equity Securities could consist of current Shareholders or new investors (or both).

The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity.

(f) Previous approval under Listing Rule 7.1A

The Company has not issued or agreed to issue Equity Securities under Listing Rule 7.1A in the 12 months preceding this Meeting, nor has it agreed before that 12 month period to issue Equity Securities under Listing Rule 7.1A which have not yet been issued.

(g) Compliance with Listing Rule 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Facility, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.3 for release to the market.

(h) Voting exclusion

A voting exclusion statement is included in the Notice for Resolution 7. At the date of the Notice, the Company has not approached any existing Shareholder or security holder to participate in the issue of Equity Securities under the Additional 10% Placement Capacity. As a result, no Shareholders' votes will be excluded from voting on Resolution 7.

**7.3 Board Recommendation**

The Board recommends Shareholders vote in favour of Resolution 7. The Chair intends to vote undirected proxies in favour of Resolution 7.

## SCHEDULE 1

### OPTION TERMS AND CONDITIONS

The terms and conditions of the Options to be issued under Resolutions 4, 5 and 6 are as follows:

**(a) Entitlement**

Subject to paragraph (l), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

**(b) Exercise Price**

There is no amount payable upon exercise of the Options (**Exercise Price**).

**(c) Expiry Date**

The Options will expire at 5:00 pm (WST) on the dates that are 2 years from the date of issue in respect of the Tranche 1 Options, 3 years from the date of issue in respect of the Tranche 2 Options, and 4 years from the date of issue in respect of the Tranche 3 Options (**Expiry Dates**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Vesting Condition**

The Tranche 2 Options will vest and become exercisable upon the recipient remaining a Director of the Company on the date that is 1 year from the date of issue, and the Tranche 3 Options will vest and become exercisable upon and the recipient remaining a Director of the Company on the date that is 2 years from the date of issue (**Vesting Conditions**).

The Tranche 1 Options are exercisable immediately and are not subject to any vesting conditions.

**(e) Exercise Period**

Subject to paragraph (o), the Options are exercisable at any time after the Vesting Conditions are satisfied and until and including the Expiry Date (**Exercise Period**).

**(f) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(g) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(h) Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

**(l) Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

**(m) Unquoted**

The Company will not apply for quotation of the Options on ASX.

**(n) Transferability**

The Options are subject to the restrictions on transfer set out in the Employee Share Option Plan and summarised in Schedule 2.

**(o) Forfeiture**

The Options are subject to the forfeiture conditions set out in the Employee Share Option Plan and summarised in Schedule 2.

## SCHEDULE 2

### TERMS AND CONDITIONS OF EMPLOYEE SHARE OPTION PLAN

A summary of the key terms of the Employee Share Option Plan is as follows:

1. **Eligibility:** Persons who may participate in the Plan are those people who meet the requirements of an eligible participant under ASIC Class Order 14/1000, and whom the Board determines is eligible to participate in the Plan (**Eligible Participant**).
2. **Offer of Options:** The Board may offer Options to Eligible Participants in accordance with the Plan terms and conditions and subject to the Listing Rules. The Board may make an Invitation to an Eligible Participant to apply for Options on such terms and conditions as the Board decides, including as to:
  - (a) the number of Options for which that Eligible Participant may apply;
  - (b) the grant date;
  - (c) the amount payable (if any) for the grant of each Option or how such amount is calculated;
  - (d) the Option exercise price;
  - (e) the vesting conditions (if any);
  - (f) disposal restrictions attaching to Shares issued or transferred on conversion of the Options (**Plan Shares**) (if any);
  - (g) whether cashless exercise of the Options is permitted;
  - (h) any other supplementary terms and conditions.
3. **Participant Rights:** Prior to an Option being exercised:
  - (a) an Eligible Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Option; and
  - (b) a Participant is not entitled to:
    - (i) notice of, or to vote or attend at, a meeting of the shareholders of the Company; and
    - (ii) receive any dividends declared by the Company, by virtue of holding the Option.
4. **Restriction of dealing:** Unless the relevant dealing is effected by force of law on death or legal incapacity to the Eligible Participant's legal personal representative, an Eligible Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with an Option that has been granted to them. The Option is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a security interest.
5. **Vesting:** If vesting conditions apply in respect of the Options, an Option will vest when a vesting notice in respect of that Option is given to the Eligible Participant. A vesting condition for an Option may, subject to applicable laws, be waived by the Board. An Option may not be exercised unless and until that Option has vested.
6. **Forfeiture:** An Eligible Participant will forfeit rights or interest in Options in the following circumstances:
  - (a) He or she ceases to be an Eligible Participant, unless the Board otherwise determines in its discretion to permit some or all of the Options to vest.
  - (b) The Eligible Participant has in the opinion of the Board:
    - (i) acted fraudulently or dishonestly; or
    - (ii) wilfully breached his or her duties to the Company,and the Board in its discretion deems unvested Options to be forfeited.



- (c) Unless otherwise determined by the Board, an Option which has not vested will be forfeited immediately on the date that the Board determines that any applicable vesting conditions have not been met or cannot be met.
  - (d) Unless otherwise stated in the Invitation or determined by the Board, Options will be forfeited immediately on the date that an Eligible Participant becomes insolvent.
  - (e) Unless the Board otherwise determines, or as otherwise set out in the terms of the Plan, any Options which have not vested on the expiry date will automatically be forfeited.
  - (f) An Eligible Participant may by written notice to the Company voluntarily forfeit their Options for no consideration.
7. **Change of Control:** if a change of control event occurs in respect of the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any Options are dealt with, including, without limitation, in a manner that allows the Eligible Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
  8. **Plan Shares:** All Shares issued or transferred on exercise of the Options (**Plan Shares**) will rank pari passu in all respects with other fully paid ordinary shares in the Company.
  9. **Disposal Restrictions on Plan Shares:** If the Invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by an Eligible Participant for a period, the Board may implement any procedure it deems appropriate to ensure compliance with this restriction.
  10. **Reorganisation:** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Eligible Participant holding Options will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
  11. **Bonus Issue:** If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue, the holder of Options is entitled, upon exercise of the Options, to receive, in addition to the Shares in respect of which the Options are exercised, an allotment of as many additional Shares as they would have been issued under the bonus issue.
  12. **Rights Issue:** Unless otherwise determined by the Board, a holder of Options does not have the right to participate in a pro rata issue of Shares made by the Company.

## GLOSSARY

The following terms have the following meanings in this Notice of Meeting and Explanatory Statement:

**10% Placement Facility** means the facility provided for under Listing Rule 7.1A for the Company to issue additional Equity Securities up to 10% of its issued share capital through issues over a 12-month period following the date of the Meeting.

**ASX** means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**Board** means the board of Directors;

**Chair** means the chairperson of the Meeting;

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the *Corporations Act*;

**Company** means Horseshoe Metals Limited (ABN 20 123 133 166);

**Constitution** means the constitution of the Company;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Director** means a director of the Company;

**Employee Share Option Plan** means the Employee Share Option Plan approved by Shareholders on 25 November 2021.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security;

**Explanatory Statement** means the explanatory statement accompanying and forming part of this Notice of Meeting;

**Key Management Personnel** or **KMP** has the meaning given to that term in Accounting Standard AASB 124 Related Party Disclosure;

**Listing Rules** means the Listing Rules of the ASX;

**Meeting** and **Annual General Meeting** means the annual general meeting the subject of this Notice of Meeting;

**Notice of Meeting** and **Notice** means this notice of meeting including the Explanatory Statement and the Proxy Form;

**Option** means an option to acquire a Share;

**Proxy Form** means the proxy form accompanying and forming part of this Notice of Meeting;

**Resolution** means a resolution the subject of this Notice of Meeting;

**Share** means a fully paid ordinary share in the capital of the Company;

**Shareholder** means the holder of a Share; and

**Vacating Directors** means all the directors of the Company who:

- (a) were directors when the resolution to approve the Remuneration Report for the year ended 31 December 2021 was passed; and
- (b) were not a managing director who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected.

**WST** means Australian Western Standard Time.



HORSESHOE METALS  
LIMITED

**LODGE YOUR PROXY APPOINTMENT ONLINE**



**ONLINE PROXY APPOINTMENT**

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



**MOBILE DEVICE PROXY APPOINTMENT**

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

**ANNUAL GENERAL MEETING PROXY FORM**

I/We being shareholder(s) of Horseshoe Metals Limited and entitled to attend and vote hereby:

**APPOINT A PROXY**

The Chair of the Meeting **OR**



**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Level 1, 24 Mumford Place, Balcatta, WA 6021 on 26 May 2022 at 10.30am (WST)** and at any adjournment or postponement of that Meeting.

**Chair's voting intentions in relation to undirected proxies:** The Chair intends to vote all undirected proxies in favour of all Resolutions except for Resolution 1a. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1, 1a, 4, 5 & 6 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

STEP 1

**VOTING DIRECTIONS**

**Resolutions**

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1a Conditional Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Ms Kate Stoney as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Alan Still as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Options to Mr Craig Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to issue Options to Mr Alan Still	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to issue Options to Ms Kate Stoney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

STEP 3

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, 1a, 4, 5 & 6, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1, 1a, 4, 5 & 6.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:30AM (WST) on 24 May 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033